



## Holder Outreach Newsletter California Unclaimed Property Program

This newsletter provides a way to keep all businesses, financial organizations and other holders of unclaimed property well informed. It highlights important news, useful information, and changes pertaining to unclaimed property in order to assist holders with California reporting requirements.

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### Dormancy Periods

(AKA Escheat Periods)

Once property has remained unclaimed for the required dormancy period it becomes reportable. All holders of unclaimed property are required to review their records annually to determine if they are holding any property, whether tangible or intangible, that has remained unclaimed for the required dormancy period. A dormancy period is a specified period of time in which the owner of property does not take action on his or her property.

The dormancy period, also known as escheat period, commences on the date of last activity by the owner.

A general guideline for dormancy periods for various types of properties is as follows:

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### Have You Completed Your Due Diligence?

Holders are required to send notices to owners with property value of fifty dollars (\$50) or more prior to reporting accounts to the SCO. The notice must clearly state that the property will escheat to the State if a timely response to the notification is not received from owners.

For most property, the notice must be mailed to the owner's last known address not less than 6 months nor more than 12 months before the property becomes reportable.

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**“Dormancy Periods (AKA Escheat Period)”**

**6 Months**

Liquidating Distributions

**One Year**

Commissions  
Ordered Refunds  
Wages

**Three Years**

Cashier's Checks  
Demand Deposits (Checking)  
Dividends  
Interest  
IRAs  
Keogh Plans  
Matured Time Deposits  
Safe-Deposit Boxes  
Safekeeping Repositories  
Savings  
Stocks and Bonds  
Written Instruments

**Seven Years**

Money Orders

**Fifteen Years**

Traveler's Checks

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**“Have You Completed your Due Diligence?”**

**For example:** For property with a dormancy period of 3 years, a Fiscal Year-End (As of Date) of 06/30/09, and if the date of last activity was between 7/01/05 and 6/30/06, due diligence must be completed between 10/31/08 and 4/30/09.



For property from a Life Insurance Company with a dormancy period of 3 years, Fiscal Year-End (As of Date) of 12/31/09 and if the last activity was between 1/1/06 and 12/31/06, due diligence must be completed between 4/30/09 and 10/31/09.

For other due diligence deadlines on various as-of-dates and property types, you may refer to the Property Report Cycle tables on the Holder Information page on the SCO website.

Complete requirements for notifying owners of unclaimed property can also be found in the Code of Civil Procedure, Section 1513.5, 1516(d), and 1520(b).

**Fines, Penalties, and Interest Payable**

Consequences for failure to comply with Unclaimed Property Laws and Regulations consist of fines, penalties and interest payable to the SCO. These laws can be found in the Califor-

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nia Code of Civil Procedures. Sections §1532 (g), §1576, and §1577 are quoted below for your reference.

**CCP Section §1532 (g)**

Any person required to pay cash by electronic funds transfer who makes the payment by means other than an authorized electronic funds transfer shall be liable for a civil penalty of 2 percent of the amount of the payment that is due pursuant to this section, in addition to any other penalty provided by law. Penalties are due at the time of payment. If the Controller finds that a holder's failure to make payment by an appropriate electronic funds transfer in accordance with the Controller's procedures is due to reasonable cause and circumstances beyond the holder's control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, that holder shall be relieved of the penalties.

**CCP Section §1576**

Any person who willfully fails to render any report or perform other duties, including use of the report format described in CCP Section 1530 shall be punished by a fine of one hundred dollars (\$100)



for each day such report is withheld or such duty is not performed, but not more than ten thousand dollars (\$10,000).

Any person who willfully refuses to pay or deliver escheated property to the Controller as required under this chapter shall be punished by a fine of not less than five thousand dollars (\$5,000) nor more than fifty thousand dollars (\$50,000).

No person shall be considered to have willfully failed to report, pay, or deliver escheated property, or perform other duties unless he or she has failed to respond within a reasonable time after notification by certified mail by the Controller's office of his or her failure to act.

**CCP Section §1577**

In addition to any damages, penalties, or fines for which a person may be liable under other provisions of law, any person who fails to report or pay or deliver unclaimed property within the time prescribed by this chapter, unless that failure is due to reasonable cause, shall pay to the State Controller interest at the rate of 12 percent per annum on that property or value thereof from the date the property should have been reported or paid or delivered.

**Reminder for  
Life Insurance Companies**

**Notice Reports are due  
before  
May 1, 2009**

## Important Upcoming Dates

**Before May 1:** NOTICE REPORTS due for [Life Insurance Companies](#)

**June 1-15:** Deadline for REMIT REPORTS for any properties included on the 2008 Notice Report that have not been returned to owners.

### Contact us

**California State Controller's Office  
Unclaimed Property Division  
P. O. Box 942850  
Sacramento, California 94250-5873**

[www.sco.ca.gov](http://www.sco.ca.gov)

Reporting Assistance: (916) 464-6284

Claims Assistance: (800) 992-4647

### **We want your input!**

Please send us your comments, ideas or concerns to:

[updholderoutreach@sco.ca.gov](mailto:updholderoutreach@sco.ca.gov)

